



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE
REFER TO FILE: **WR-4**

August 29, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012-2756

Dear Supervisors:

**WEST COAST BASIN BARRIER HYDROELECTRIC PROJECT
APPROVE TERMINATION AGREEMENT OF THE POWER PURCHASE
CONTRACT BETWEEN THE LOS ANGELES COUNTY FLOOD CONTROL
DISTRICT AND SOUTHERN CALIFORNIA EDISON COMPANY
SUPERVISORIAL DISTRICT 4
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the Director of Public Works to execute the Termination Agreement of the Power Purchase Contract between the Los Angeles County Flood Control District and Southern California Edison Company.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

We are recommending that your Board approve and authorize the Director of Public Works to execute the Termination Agreement of the Power Purchase Contract between the District and Edison for the power plant (QFID No. 4027).

The District owns and operates the West Coast Basin Barrier Project (WCBBP), which protects the groundwater basin against saltwater intrusion. The WCBBP has a Pressure Reduction Station that receives high-pressure water deliveries from the Metropolitan Water District of Southern California, reduces the water's pressure, and distributes the water to the WCBBP.

In 1984, due to the hydroelectric generating potential of the high-pressure water deliveries to the WCBBP, the Basin Barrier Hydroelectric Limited Partnership built a power plant at the Pressure Reduction Station and entered into a Power Purchase Contract with Edison. In July 1992, the District acquired ownership of the power plant and assumed the Partnership's responsibilities under the Power Purchase Contract.

In August 1995, the District entered into an agreement with the West Basin Municipal Water District (WBMWD) to allow the use of recycled water at reduced pressure from its water recycling facility. The use of reduced pressure flows being delivered to the WCBBP resulted in the shutdown of the power plant.

Although the WBMWD is compensating the District for the loss of power generation revenue, Edison charges a service fee associated with the existing Power Purchase Contract. Since the power plant no longer produces power, the Power Purchase Contract is an unnecessary expense to the District and should be terminated.

Implementation of Strategic Plan Goals

Execution of this Termination Agreement is consistent with the County Strategic Plan Goal of Fiscal Responsibility since it will eliminate the payment of fees to maintain a service that is no longer required.

FISCAL IMPACT/FINANCING

There will be no impact to the County's General Fund.

The District is being compensated for lost power generation revenues by the WBMWD.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Termination Agreement of the Power Purchase Contract has been reviewed from a legal standpoint and approved as to form by County Counsel.

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ENVIRONMENTAL DOCUMENTATION

A finding of environmental impact is not required for the approval and execution of the Termination Agreement of the Power Purchase Contract.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no negative impact on current County services or projects.

CONCLUSION

We are enclosing a copy of the Termination Agreement. Please return one approved copy of this letter to Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

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Enc.

cc: Chief Administrative Office
County Counsel